

## **MINUTES OF BOARD OF REVIEW**

**May 28, 2008**

### **I. Call to Order, Roll Call**

The meeting of the Village Board of Review of the Village of Slinger was called to order by President Brandt at 300 Slinger Road, Slinger, WI, at 1:30 p.m. on Wednesday, May 28, 2008 with the following members present: President Brandt, Administrator/Clerk Murphy, and Deputy Administrator/Clerk Wilber. Also present was Village Assessor Michael Grota of Grota Appraisals.

### **II. Election of Chair and Clerk**

Motion Brandt/Wilber to appoint Administrator/Clerk Murphy as Chairperson of the Board of Review; carried.

Motion Brandt/Murphy to appoint Deputy Administrator/Clerk Wilber as Clerk of the Board of Review; carried.

### **III. Receive 2008 Assessment Roll and Signed Affidavit from Village Assessor**

Deputy Administrator/Clerk Wilber informed the Board that the 2008 Assessment Roll had been received from Assessor Grota. Assessor Grota submitted his signed Assessor's Affidavit and Deputy Administrator/Clerk Wilber accepted it for inclusion in the Board of Review record.

Administrator/Clerk Murphy asked that the Board of Review Member Training Affidavit be presented at this time. Deputy Administrator/Clerk Wilber informed the Board that she had fulfilled the mandatory training requirement as specified in WI Stat 70.46(4) on May 2, 2007 and her training was valid until May 2, 2009. She stated that the Board of Review Training Affidavit had been filed with the Department of Revenue on-line on May 23, 2008.

### **IV. Examine the 2008 Assessment Roll**

Deputy Administrator/Clerk Wilber informed the Board that the Clerk's preliminary review had been conducted prior to this meeting and she had found no errors, omissions or duplications. She stated that Assessor Grota's staff had answered all questions resulting from the preliminary review.

Assessor Grota provided the changes that had been made to the Assessment Roll during the Open Book session held on May 9, 2008 and Deputy Administrator/Clerk Wilber accepted them for addition to the Assessment Roll.

### **V. Hear Waiver of 48-Hour Notice of Intent to File Objection Requests**

Administrator/Clerk Murphy stated that one objection form had been received after the required 48-hour time period and the property owner had agreed to appear at 2:00 p.m. to discuss a possible waiver. She stated this discussion would be postponed until later in the agenda.

**VI. Hear Objections to Property Assessments and Take Action as Necessary**

Administrator/Clerk Murphy announced that the first hearing was for Helen Mitchell, property owner of 643 Highview Drive, Parcel #V5-0319-106. Deputy Administrator/Clerk Wilber swore in all witnesses to this hearing, which were Helen Mitchell and Assessor Grota.

Mrs. Mitchell stated she felt that the estimated fair market value placed on her home was too high and should be lowered. She submitted listings of three properties currently on the market and stated the properties were newer and better-equipped than her house yet each had sold or was for sale at approximately the same amount as her assessed value. Mrs. Mitchell stated it was her opinion that her assessed value was closer to the actual value of her house.

The Board reviewed the comparable properties provided by Mrs. Mitchell and Assessor Grota answered questions regarding specific details of the various buildings. Assessor Grota explained the market value and equalization process and how that number is calculated.

Assessor Grota presented three comparable properties in the vicinity of Mrs. Mitchell's home and explained how each of the values assigned to those properties were consistent with the valuation of the Mitchell property.

Administrator/Clerk Murphy asked Mrs. Mitchell and Assessor Grota for their final testimony. Mrs. Mitchell stated that the housing market is deteriorating rapidly and the value of her home should be lowered accordingly. Assessor Grota pointed out that the comparable properties provided by the taxpayer were also in ratio with his assessment of the property in question.

Administrator/Clerk Murphy asked the Board for their commentary and discussion. Deputy Administrator/Clerk Wilber stated she felt the Assessor's valuation was supported in this matter. She further stated it was unfortunate that equalized values are so out of proportion at this time and the confusion caused by this should be eliminated after the Village completes the revaluation process scheduled for the next year. President Brandt stated he concurred with the Assessor's position on this property.

Motion Wilber/Brandt to sustain the assessment of \$182,700 on Parcel #V5-0319-106, 643 Highview Drive; carried unanimously.

Assessor Grota completed the Notice of Board of Review Determination and provided a copy to Mrs. Mitchell and to Deputy Administrator/Clerk Wilber for the Board of Review record.

At this time, Administrator/Clerk Murphy stated the Board would discuss a possible waiver of the 48-hour requirement for the next hearing.

Craig Schmutzer, 1<sup>st</sup> Vice President with Park Bank, 15850 W Bluemound Road, Brookfield WI, appeared before the Board to discuss the objection to assessment submitted by Gary Muchka representing M&M Real Estate Holdings for four properties located along American Eagle Drive, Parcel #V5 0606 00B, #V5 0606 00G, #V5 0606 00H and #V5 0606 00J.

Administrator/Clerk Murphy asked Mr. Schmutzer to explain why the objection was not received prior to the required 48-hour notification period. Mr. Schmutzer explained that the present owner's signature was needed on the form and the property owner had been out of town until the end of last week. Mr. Schmutzer stated he had both the 2005 and the 2007 appraisals of the property that Assessor Grota had requested in order to waive his 48-hour review period. Mr. Schmutzer also stated he had attended the Open Book portion of the Board of Review and had already begun to discuss this matter with Assessor Grota at that time.

The Board of Review reached the consensus that waiver of the 48-hour notice requirement would be appropriate. Deputy Administrator/Clerk Wilber swore in the witnesses who would be testifying at this hearing. Sworn in were Mr. Schmutzer and Assessor Grota.

Mr. Schmutzer submitted the two appraisals, completed in 2005 at the time of purchase and in 2007, for Assessor Grota's review. While Assessor Grota was examining the appraisals, Mr. Schmutzer discussed the reasons for the objection to the assessment of the properties. He stated that the appraisal conducted in 2007 lists a value of \$5,000,000 for the combined group of four properties and this is the value the property owner considers to be more accurate. He further stated that marketability issues have been discovered since the property was obtained and the market is no longer conducive to selling such a large amount of commercial property. Mr. Schmutzer stated that Park Bank had been attempting to sell the mortgage in the secondary market, which would be standard procedure under usual circumstances, however they have been unable to find any interested parties and this supported the lack of marketability for the overall property.

Assessor Grota asked for information regarding the mortgage status on the properties. Mr. Schmutzer stated that the mortgage presently equaled \$5,032,619.35. He explained that the initial mortgage at the time of purchase was \$4,600,000; it increased to \$4,950,000 in June 2006 and was again increased in March 2007 to the present level. He stated that the additional amounts were to recognize interest accrued on the obligation.

Assessor Grota stated that the 2007 appraisal conducted by Jeff Peisak lists two values, \$5,000,000 and \$7,000,000 and asked for an explanation of the variance. Mr. Schmutzer stated that the lower amount was based on treating the parcels as one combined 42-acre property. Assessor Grota noted that the properties in question are not one large parcel and there would be additional value created by the fact that further land divisions may not be needed.

Assessor Grota asked Mr. Schmutzer to explain the Russell appraisal conducted in 2005, which listed the properties' value at \$17,000,000 and \$13,000,000. Mr. Schmutzer stated those numbers were based on the fact that at that time, a completed development plan was in existence and the assumption was that a total retail build-out of the property would take place.

President Brandt asked Assessor Grota to discuss how the present assessments were derived. Assessor Grota stated he would be able to provide his testimony on the assessment at this time. Assessor Grota distributed copies of his supporting documentation for the Board's review. He stated that using two values when conducting an appraisal may be appropriate for lending purposes, but for assessment purposes it was necessary to consider the parcels in an "as is" condition.

Assessor Grota provided a listing of comparable properties in nearby townships that had changed ownership within the past few years. He explained that his assessments equated to \$104,000 per acre for the three smaller parcels, G, H and J, and \$160,000 per acre for the larger parcel, B. Assessor Grota explained that the larger parcel was given a higher value per acre because it has the better access, more street frontage and other advantages not found on the other parcels.

Assessor Grota reviewed the list of comparable properties and noted that most of them had been sold for a price per acre significantly greater than the values assigned here. He pointed out that the two parcels that sold for \$87,400 per acre in 2005, now partially occupied by Cabela's, had been completely undeveloped land and since then, Cabela's has sold a neighboring parcel for \$302,000 per acre. Assessor Grota stated it was also important to keep in mind that none of these properties had any of the improvements available to the properties along American Eagle Drive, such as water, sewer and electric service.

Administrator/Clerk Murphy asked both witnesses to present their final testimony and closing arguments.

Mr. Schmutzer stated the main reasons for the objection to these assessments was the 2007 appraisal listing the total value at \$5,000,000 and the marketability issues that have since developed, both in regard to the property itself and the mortgage associated with it.

Assessor Grota stated he had been contacted by several parties interested in the properties in some format and this would seem to support the view that marketability is not necessarily an issue. He stated the fact that none of the inquiries has led to a concluded purchase may be attributed to other factors that would not affect the assessment process.

The Board members discussed the assessments and expressed their views in support of the Assessor's determinations.

Motion Wilber/Brandt to sustain the assessments of Parcels #V5 0606 00B at \$3,780,800, #V5 0606 00G at \$312,000, #V5 0606 00H at \$802,900 and #V5 0606 00J at \$893,400; carried unanimously.

Assessor Grota prepared the Notice of Board of Review Determination forms for the properties and distributed copies to Mr. Schmutzer and Deputy Administrator/Clerk Wilber for the Board of Review Record.

**VII. Such Other Matters as May Properly Come Before the Meeting**

There being no further matters brought before the Board at this time, Deputy Administrator/Clerk Wilber prepared the Summary of Board of Review Proceedings and signed the Clerk's Affidavit to be kept on record.

**VIII. Adjourn Meeting**

**(If the Board of Review has concluded all of its case matters, it will adjourn sine die.)**

Motion Wilber/Brandt to adjourn sine die at 3:30 p.m.; carried.

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Maureen A. Murphy, Village Administrator/Clerk

Minutes submitted by Margaret Wilber, Deputy Administrator/Clerk